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45 CFR Ch. XI (10–1–12 Edition)

(b) *Agency* means a department, agency, court, court administrative office, or instrumentality in the executive, judicial, or legislative branch of government, including a government corporation.

(c) *Chairperson* means the Chairperson of the Endowment, or his or her designee.

(d) *Creditor agency* means the agency to which the debt is owed.

(e) *Day* means calendar day. To count days, include the last day of the period unless it is a Saturday, a Sunday, or a Federal legal holiday.

(f) *Debt* and *claim* are deemed synonymous and interchangeable. These terms mean money owed by a person to the United States for any reason, including loans made or guaranteed by the United States, fees, leases, rents, royalties, services, sales of real or personal property, overpayments, damages, interests, penalties, fines, forfeitures, and all other similar sources. For the purpose of administrative offset under 31 U.S.C. 3716 and subpart D of these regulations, the terms debt and claim also include money or property owed by a person to a State, the District of Columbia, American Samoa, Guam, the United States Virgin Islands, the Commonwealth of the Northern Mariana Islands, or the Commonwealth of Puerto Rico.

(g) *Debtor* means a person who owes a debt. Uses of the terms “I,” “you,” “me,” and similar references to the reader of the regulations in this part are meant to apply to debtors as defined in this paragraph (g).

(h) *Delinquent debt* means a debt that has not been paid within the time limit prescribed by the Endowment.

(i) *Disposable pay* means the part of an employee’s pay that remains after deductions that are required to be withheld by law have been made.

(j) *Employee* means a current employee of an agency, including a current member of the Armed Forces or Reserve of the Armed Forces of the United States.

(k) *Endowment* means the National Endowment for the Arts.

(l) *Federal Claims Collection Standards* means the standards currently published at 4 CFR Chapter II. The DOJ and the Treasury have proposed a revision that would move the Federal

Claims Collection Standards to 31 CFR parts 900–904. The Endowment will amend these regulations, as necessary, after the revised Federal Claims Collection Standards have been issued as final regulations.

(m) *Paying agency* means the agency that employs the individual who owes a debt to the United States. In some cases, the Endowment may be both the creditor agency and the paying agency.

(n) *Payroll office* means the office in the paying agency that is primarily responsible for payroll records and the coordination of pay matters with the appropriate personnel office.

(o) *Person* includes a natural person or persons, profit or non-profit corporation, partnership, association, trust, estate, consortium, state or local government, or other entity that is capable of owing a debt to the United States; however, agencies of the United States are excluded.

(p) *Private collection contractor* means a private debt collector under contract with an agency to collect a non-tax debt owed to the United States.

(q) *Salary offset* means a payroll procedure to collect a debt under 5 U.S.C. 5514 by deduction(s) at one or more officially established pay intervals from the current pay account of an employee, without his or her consent.

(r) *Tax refund offset* means the reduction of a tax refund by the amount of a past-due legally enforceable debt owed to the Endowment or any other Federal agency.

§ 1150.2 What is the Endowment’s authority to issue these regulations?

The Endowment is issuing the regulations in this part under 31 U.S.C. 3711, 3716–3718, and 3720A. These sections reflect the Federal Claims Collection Act of 1966, as amended by the Debt Collection Act of 1982 and the Debt Collection Improvement Act of 1996. The Endowment is also issuing the regulations in this part in conformity with the Federal Claims Collection Standards, which prescribe standards for the handling of the Federal government’s claims for money or property. The Endowment is further issuing the regulations in this part in conformity with 5

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U.S.C. 5514 and the salary offset regulations published by the OPM at 5 CFR part 550, subpart K.

§ 1150.3 What other regulations also apply to the Endowment's debt collection efforts?

All provisions of the Federal Claims Collection Standards also apply to the regulations in this part. This part supplements the Federal Claims Collection Standards by prescribing procedures and directives necessary and appropriate for operations of the Endowment.

§ 1150.4 What types of claims are excluded from these regulations?

(a) The regulations in this part do not apply to any claim as to which there is an indication of fraud or misrepresentation, as described in the Federal Claims Collection Standards, unless returned to the Endowment by the DOJ for handling.

(b) The regulations in this subpart, subpart B, and subpart D do not apply to debts arising under the Internal Revenue Code of 1986, as amended (26 U.S.C. 1 *et seq.*); the Social Security Act (42 U.S.C. 301 *et seq.*); and the tariff laws of the United States.

(c) Remedies and procedures described in this part may be authorized with respect to claims that are exempt from the Debt Collection Act of 1982 and the Debt Collection Improvement Act of 1996, to the extent that they are authorized under some other statute or the common law.

§ 1150.5 What notice will I be provided if I owe a debt to the Endowment?

(a) When the Chairperson determines that you owe a debt to the Endowment, he or she will send you a written notice (Notice). The Notice will be hand-delivered or sent to you by certified mail, return receipt requested at the most current address known to the Endowment. The Notice will inform you of the following:

(1) The amount, nature, and basis of the debt;

(2) That a designated Endowment official has reviewed the claim and determined that it is valid;

(3) That payment of the debt is due as of the date of the Notice, and that

the debt will be considered delinquent if you do not pay it within 30 days of the date of the Notice;

(4) The Endowment's policy concerning interest, penalty charges, and administrative costs (see §1150.7), including a statement that such assessments must be made against you unless excused in accordance with the Federal Claims Collection Standards and this part;

(5) That you have the right to inspect and copy Endowment records pertaining to your debt, or to receive copies of those records if personal inspection is impractical;

(6) That you have the opportunity to enter into an agreement, in writing and signed by both you and the Chairperson, for voluntary repayment of the debt (see §1150.9); and

(7) The address, telephone number, and name of the Endowment official available to discuss the debt.

(b) Notice of possible collection actions. The Notice provided by the Chairperson under paragraph (a) of this section will also advise you that, if your debt (including any interest, penalty charges, and administrative costs) is not paid within 60 days of the date of the Notice, or you do not enter into a voluntary repayment agreement within 60 days of the date of the Notice, then the Endowment may enforce collection of the debt by any or all of the following methods:

(1) By referral to a credit reporting agency (see §1150.12), a collection agency (see §1150.13), or the DOJ (see §1150.14);

(2) By transferring any debt delinquent for more than 180 days to the Treasury for collection under a cross-servicing agreement with the Treasury (see §1150.15);

(3) If you are an Endowment employee, by deducting money from your disposable pay account (in the amount and with the frequency, approximate beginning date, and duration specified by the Endowment) until the debt (and all accumulated interest, penalty charges, and administrative costs) is paid in full (see subpart B). Such proceedings are governed by 5 U.S.C. 5514;